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METHODOLOGICAL ISSUES

LAND-USE, LAND-USE CHANGE AND FORESTRY (DECISION 1/CP.3, PARAGRAPH 5 (a))

List of policy and procedural issues associated with Article 3.3 and 3.4 of the Kyoto Protocol

Note by the secretariat

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I. INTRODUCTION

A. Mandate

1. At its fourth session, the Conference of the Parties (COP), by its decision 9/CP.4, requested the secretariat to compile, for consideration by the Subsidiary Body for Scientific and Technological Advice (SBSTA) at its tenth session, a list of policy and procedural issues associated with Article 3.3 and 3.4 of the Kyoto Protocol, based on existing submissions by Parties and any further submissions by Parties provided to the secretariat by 1 March 1999 on these issues (FCCC/CP/1998/16/Add.1).

B. Scope of the note

2. This note responds to the above mandate by proposing a list of policy and procedural issues[1] associated with Article 3.3 and 3.4 of the Kyoto Protocol. In addition, a decision-making process is outlined that may assist Parties in addressing these policy and procedural issues by the sixth session of the Conference of the Parties, and subsequent sessions of the subsidiary bodies.

3. In preparing this document, account was taken of submissions from Parties which are contained in documents FCCC/SBSTA/1999/MISC.2 and FCCC/SBSTA/1999/MISC.2/Add.1. Where Parties identified similar issues, the secretariat has tried to integrate them while maintaining their essence.

C. Possible action by the SBSTA

4. The SBSTA may wish to consider the framework for decision-making and the list of policy and procedural issues associated with Article 3.3 and 3.4 of the Kyoto Protocol contained in this note. It may wish to further elaborate a process to facilitate decision-making by the sixth session of the COP. In that context, the SBSTA may wish to provide guidance to the secretariat related to any preparatory activities needed between SBSTA 10 and COP 6.

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[1] The wording "policy and procedural issues" in the context of this mandate, has been interpreted as follows. Policies set definite courses, embracing general principles and goals, to guide and determine present and future decisions. Procedures facilitate the manner in which to proceed to accomplish the goals set by the policies. Procedures may also be developed to implement given policies.

II. POLICY AND PROCEDURAL ISSUES

A. Background

5. Article 3.3 of the Kyoto Protocol provides a way to consider net changes in emissions by sources and removals by sinks resulting from direct human-induced land-use change and forestry activities, limited to afforestation, reforestation and deforestation since 1990, measured in terms of verifiable changes in carbon stocks in each commitment period. These net changes are to be reported in a transparent and verifiable manner, and reviewed in accordance with Articles 7 and 8 of the Kyoto Protocol.

6. Article 3.4 of the Protocol requires each Party included in Annex I to provide, for consideration by the SBSTA, data to establish its level of carbon stocks in 1990, and to enable an estimate to be made of its changes in carbon stocks in subsequent years.

7. It provides for the Conference of the Parties serving as the meeting of the Parties to the Protocol (COP/MOP) to decide *how* and *which* human-induced activities resulting in changes in emissions by sources and removals by sinks in the agricultural soils and the land-use change and forestry categories can be added to, or subtracted from, the assigned amounts for Annex I Parties. In its deliberations to reach a decision, the COP/MOP shall take into account uncertainties, transparency in reporting, verifiability, the methodological work of the Intergovernmental Panel on Climate Change (IPCC), and the advice provided by the SBSTA. A decision on additional activities is to be applied in the second and subsequent commitment periods, but Parties may choose to apply the decision to the first commitment period, provided that the activities have taken place since 1990.

B. Approach

8. In this note, a process is outlined by which progress may be made towards the preparation of decisions related to Article 3.3 and 3.4 of the Kyoto Protocol by the Conference of the Parties at its sixth session. This process is presented as a framework for decision-making (see figure 1). Within this framework, relevant issues can be considered by Parties in the period between SBSTA 10 and COP 6, and after COP 6. The process of decision-making can be adapted as new insights and/or the need for additional work arise. However, the items incorporated into the framework appear to be some of the more important ones needing to be addressed to facilitate decision-making by COP 6.

9. This note, including the framework for decision-making, was prepared with the understanding that the IPCC Special Report on land-use, land-use change and forestry (LULUCF), to be available by SBSTA 12, will provide important information that will feed into the process of decision-making. It is also understood that reporting guidelines related to LULUCF will need to be integrated with guidelines under Articles 5 and 7 of the Kyoto Protocol, and that information and methods will be reviewed in accordance with Article 8 of the

Kyoto Protocol. In addition, it takes account of the need for consistency with other Articles of the Kyoto Protocol.

10. Some of the key policy and procedural issues that need to be addressed in a decision-making process are grouped into five categories, namely:

(a) Clarification of definitions;

(b) Eligibility of additional activities;

(c) Rules governing the use of approved activities;

(d) Inventory and reporting guidelines;

(e) Miscellaneous.

11. Some of the issues may need to be addressed before COP 6. These are listed in table 1. Other issues which could possibly be considered after COP 6 are listed in table 2.

Figure 1. Framework for decision-making

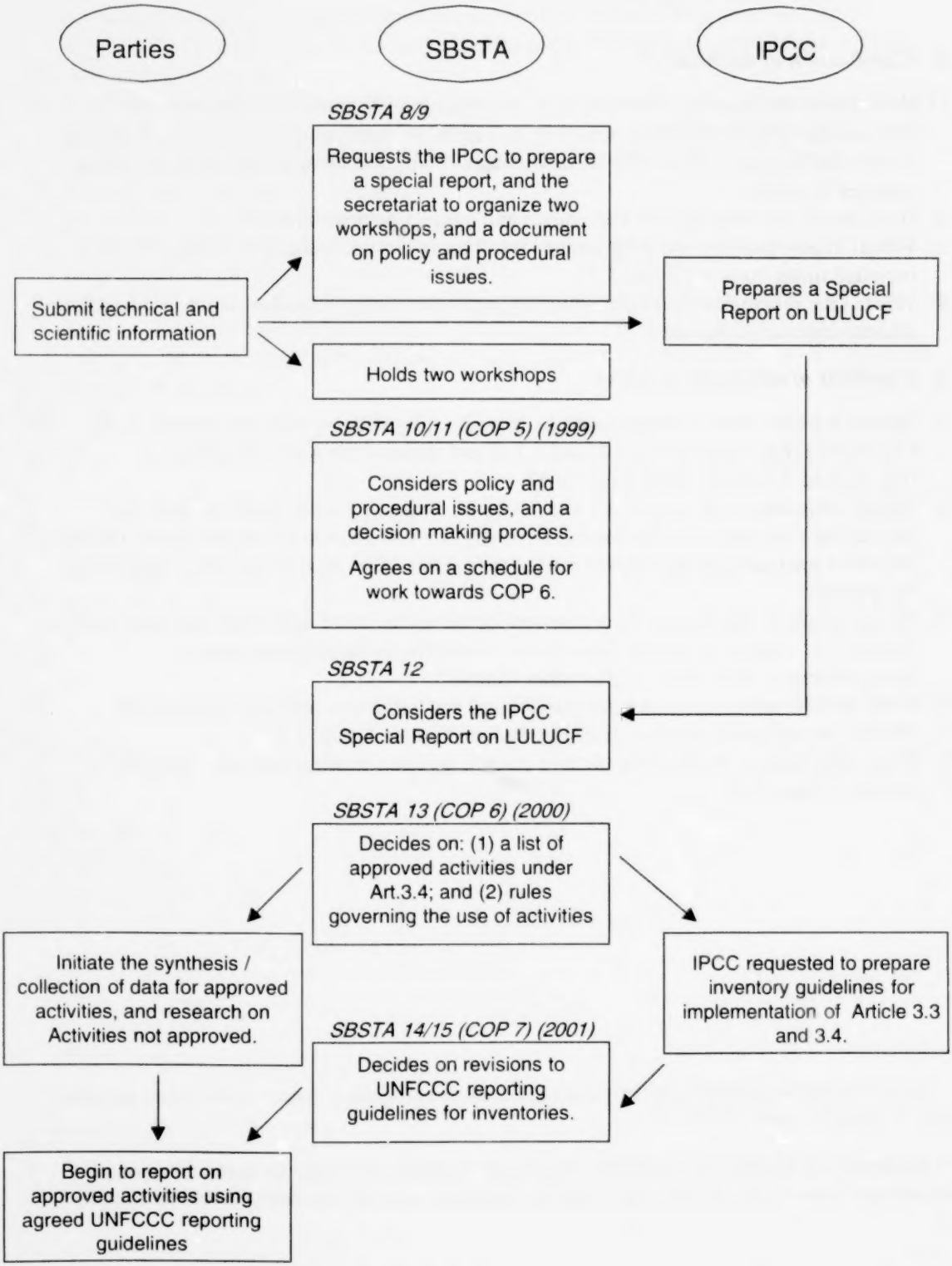
Parties
SBSTA
IPCC
SBSTA 8/9
Requests the IPCC to prepare a special report, and the secretariat to organize two workshops, and a document on policy and procedural issues.
Submit technical and scientific information
Prepares a Special Report on LULUCF
Holds two workshops
SBSTA 10/11 (COP 5) (1999)
Considers policy and procedural issues, and a decision making process.
Agrees on a schedule for work towards COP 6.
SBSTA 12
Considers the IPCC Special Report on LULUCF
SBSTA 13 (COP 6) (2000)
Decides on: (1) a list of approved activities under Art.3.4; and (2) rules governing the use of activities
Initiate the synthesis / collection of data for approved activities, and research on Activities not approved.
IPCC requested to prepare inventory guidelines for implementation of Article 3.3 and 3.4.
SBSTA 14/15 (COP 7) (2001)
Decides on revisions to UNFCCC reporting guidelines for inventories.
Begin to report on approved activities using agreed UNFCCC reporting guidelines

Table 1. Policy and procedural issues proposed for consideration before the sixth session of the Conference of the Parties

A. Clarification of definitions[2]

1) How should the boundary between human and natural phenomena be determined? And should natural processes, occurring as a result of management decisions, be counted or not (the decision to intervene in, or withdraw from, management can directly lead to changes in stock)?
2) How should the boundary between direct and indirect be determined?
3) Which, if any, policies and programmes resulting in human-induced activities should be included under Article 3.3 and 3.4?
4) What is the relationship between additional activities approved under Article 3.4 and the second sentence of Article 3.7?

B. Eligibility of additional activities

1) Should activities under consideration be in conformity with the relevant clauses of the Convention (e.g. Articles 3.3, 3.4, and 4.1.d) and those of the Kyoto Protocol (e.g. Article 2.1 (a) (ii) and 2.1 (a) (iii))?
2) Should activities under Article 3.3 and 3.4 be in conformity with other conventions, such as the Convention on Biological Diversity, the Convention to Combat Desertification, and other international agreements related to forests? If so, how should these agreements be applied?
3) Should levels of uncertainty[3] be a criterion for the inclusion of additional activities under Article 3.4? And if so, should these levels of uncertainty be different from those associated with Article 3.3 or other sources?
4) What specific information on uncertainties and verifiability is required to determine whether an additional activity should be included under Article 3.4?
5) What other criteria should be applied to guide a decision-making process in relation to Article 3.3 and 3.4?

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[2] Account should be taken of the IPCC Special Report, which will include a chapter on definitions, and which should be available prior to SBSTA 12.

[3] Uncertainty can be associated with different aspects of the additional activities, for instance: estimation methodologies, activity data, scientific understanding, institutional accountability, long-term stability of sinks.

C. Rules governing the use of approved activities[4]

1) For what purpose do we need information on stock levels in 1990 in the context of Article 3.3 and 3.4? What stocks and/or carbon pools should be included in that information?
2) Some types of data relevant to the base year are likely to be collected in retrospect. Should activity data, information on the measurement of stocks and changes to stocks be reported prior to the commitment period or should reporting begin during the commitment period?
3) Should Parties monitor all increases and decreases in activities/practices, or is the measurement of stock sufficient?
4) Can Parties choose which activities they include in the first commitment period or do they need to include all approved additional activities?
5) Can a Party use a certain additional activity in the first commitment period without reporting on associated carbon stocks for its base year? Or should it submit data on the base year situation retrospectively before it can apply the decision in the first commitment period? If so, when?

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[4] It may be appropriate to consider some of these questions in the preparation of revised UNFCCC inventory and reporting guidelines subsequent to COP 6.

Table 2. Policy and procedural issues proposed fo. consideration after the sixth session of the Conference of the Parties

A. Inventory and reporting guidelines

1) How comprehensive should reporting be under Article 3.3 and 3.4 of the Kyoto Protocol? On what level of disaggregation should activity data and removal factors be reported?
2) Assuming that all lands and land-uses will not be included under Article 3.3 and 3.4 of the Kyoto Protocol, what additional reporting should be required so as to prepare for discussion on a second budget period?
3) Should separate guidelines be developed that indicate how Parties should deal with the various levels of uncertainty or should uncertainty be incorporated into guidelines under Articles 5 and 7 of the Kyoto Protocol?
4) Should activity data be reported between 1990-2008? Should activity data be reported for individual years between 2008-2012 to monitor changes or is the net total for the 5 years sufficient?
5) How should changes in GHG emissions from, and removals by, additional activities be reported: one by one, per activity, per category, or as a list of specific practices?
6) How should information on methods be reported? What supplementary information should be reported under Article 7 of the Kyoto Protocol? How should monitoring and verification guidance be developed to allow information to be reviewed according to Article 8 of the Kyoto Protocol?
7) Should transparency in reporting be taken to mean that the assumptions and methods of analysis should be replicable by international experts using information provided in annual inventories and/or the national communications?

B. Miscellaneous

1) Should Parties be required to demonstrate that "reported" activities do not adversely affect other lands and land-uses?
2) Should the changes in greenhouse gas emissions by sources or removals by sinks to be added to, or subtracted from, the assigned amount, be recalculated as a result of future refinements of methods, considering that changes to methods in LULUCF are more likely to occur compared to other parts of the inventory? If so, what procedures should be applied?
3) Should uncertainties be considered in a broader context (Articles 5, 7 and 8 of the Kyoto Protocol)?
4) How can activities not included in the IPCC Special Report be given consideration?
5) How should verifiability be interpreted in relation to the first sentence of Article 3.4? (What procedures do we need in order to verify information on levels of stocks in 1990 and changes to those stocks in subsequent years?)

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